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Message Text

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42
ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 EB-11 TRSE-00 STR-08 CIAE-00

INR-11 NSAE-00 RSC-01 FEAE-00 COME-00 SP-03 L-03

CIEP-03 DRC-01 /083 W
---------- 054457
R 181000Z SEP 74
FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 345
INFO AMEMBASSY PARIS

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PARIS FOR OECD

E.O. 11652: N/A
TAGS: EGEN
SUBJECT: PROPOSED ANNUAL TAX ON MOTOR VEHICLES

1. IT HAS COME TO OUR ATTENTION THAT THE GOL IS CONTEMPLATING IMPOSING AN ANNUAL TAX ON MOTOR VEHICLES IN ORDER TO RAISE MORE REVENUE TO COVER INCREASED COST OF IMPORTED CRUDE. THE BASIS OF THE CONTEMPLATED TAX, WE HAVE BEEN INFORMED, WOULD BE CYLINDER DISPLACEMENT, WHICH WOULD BE ALLEGEDLY MORE EASY TO DETERMINE THAN ENGINE HORSEPOWER.

2. FOLLOWING CONSULTATION WITH THE LOCAL GM AND CHRYSLER REGIONAL REPRESENTATIVES, WE HAVE ALREADY MADE INFORMAL APPROACHES TO THE FINANCE MINISTRY TO POINT OUT THAT A TAX BASED ON DISPLACEMENT WOULD BE CLEARLY PREJUDICIAL TO AMERICAN-MADE CARS. WE SINCERELY HOPED, THEREFORE, THAT THE CONTEMPLATED MEARURE WOULD NOT BE IMPLEMENTED IN ITS PRESENT FORM.

3. FOR WHAT IT IS WORTH, WE WERE INFORMED THAT THE MEASURE WAS NOT FINALIZED AND THAT "WE NEED NOT WORRY"
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ABOUT ITS IMPLEMENTATION. NEVERTHELESS, WE ARE

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WATCHING THE MATTER CAREFULLY.

4. GIVEN THE UNQUESTIONABLE NEED TO OBTAIN ADDITIONAL REVENUE, SOME SORT OF TAX SEEMS INEVITABLE AND ITS QUITE LIKELY THAT THIS WOULD BE BASED EITHER ON DISPLACEMENT OR HORSE-POWER. IN THIS CONTEXT WE WOULD, OF COURSE, FAVOR A HORSEPOWER TAX AS THE LESSER OF THE TWO EVILS.
GODLEY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAXES, AUTOMOBILES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BEIRUT11298
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740261-0694
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740937/aaaabeva.tel
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Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2002
Review Event:
Review Exemptions: n/a
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